

# **Miller Holdings (International) Limited**

## **Directors' report and financial statements**

31 December 2006

Registered Number SC115235

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## **Directors' report and financial statements**

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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

### **Principal activity**

The principal activity of the company is to act as a holding company for investments in overseas joint venture companies

### **Business Review**

The net profit after providing for taxation amounted to £394,000 (2005 £1,917,000) The directors believe that the business will continue to be profitable in future periods

### **Proposed Dividend**

The directors do not recommend the payment of a dividend

### **Directors & director's interests**

The directors who held office during the year were as follows

P H Miller	
M Wood	
J M Jackson	(Appointed 14 November 2006)
N W Johnston	(Appointed 14 November 2006)

None of the directors had interests in the shares of the company during the year The interests of P H Miller in the shares of The Miller Group Limited, the parent ultimate company, are shown in the accounts of that company The interests of M Wood in the shares of The Miller Group Limited are shown in the accounts of Miller Developments Holdings Limited, a fellow subsidiary company

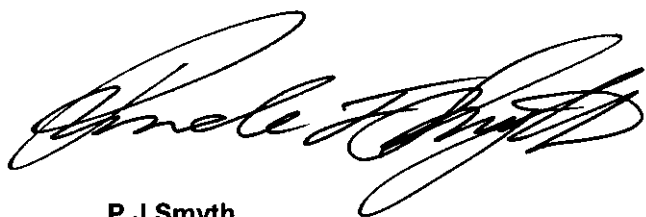
### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

### **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



**P J Smyth  
Secretary**

Edinburgh

4 May 2007

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditors' report to the members of Miller Holdings (International) Limited**

We have audited the financial statements of Miller Holdings (International) Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

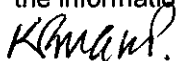
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

  
**KPMG LLP**  
Chartered Accountants  
Registered Auditor  
Edinburgh

Date  
*12 May 2007*

## Profit and loss account

for the year ended 31 December 2006

	Note	2006 £000	2005 £000
Administrative expenses		(72)	(104)
<b>Operating loss</b>	3	<u>(72)</u>	<u>(104)</u>
Profit on sale of fixed assets			1,900
Interest payable	4	(132)	
Other interest receivable and similar income	5	598	121
<b>Profit on ordinary activities before taxation</b>		<u>394</u>	<u>1,917</u>
Tax on profit on ordinary activities	6	-	
<b>Profit for the financial year</b>	11	<u><u>394</u></u>	<u><u>1,917</u></u>

The company had no recognised gains or losses other than the above profit for the above financial year

The profit for the financial year has been derived from continuing activities

**Balance sheet**  
 as at 31 December 2006

	Note	2006 £000	2005 £000
<b>Fixed assets</b>			
Investments	7	7,415	6,996
<b>Current assets</b>			
Debtors	8	11,211	10,982
Cash at bank and in hand		768	
		11,979	10,982
<b>Creditors' amounts falling due within one year</b>	9	(11,554)	(10,532)
<b>Net current assets</b>		425	450
<b>Net assets</b>		7,840	7,446
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account	11	7,839	7,445
<b>Shareholders' funds</b>	12	7,840	7,446

These accounts were approved by the Board of directors on 4 May 2007 and were signed on its behalf by



**P. H. Miller**  
 Director

## Notes

(forming part of the financial statements)

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the company's financial statements

#### ***Basis of preparation***

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Miller Developments Holdings Limited which is in turn a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities, which form part of the group. The consolidated financial statements of The Miller Group Limited within which this company is included, can be obtained from the address given in note 13

#### ***Investments***

Investments held as fixed assets are stated at cost less provision for permanent diminution in value

#### ***Cash flow statement***

The company is exempt from the requirement of Financial Reporting Standard number 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies

#### ***Foreign Currencies***

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19



## Notes (continued)

### 2. Directors' emoluments

The directors received no remuneration from the company during the year or in the previous year

### 3. Operating loss

	2006 £'000	2005 £'000
<i>This is stated after charging</i>		
Auditors' remuneration		

Auditors' remuneration will be paid on behalf of the company by Miller Developments Limited

### 4. Interest Payable

	2006 £'000	2005 £'000
Bank Interest	132	

### 5. Interest Receivable

	2006 £'000	2005 £'000
From fellow group companies	230	
From joint venture companies	341	121
Bank interest	27	
	<u>598</u>	<u>121</u>

### 6. Taxation

	2006 £'000	2005 £'000
Analysis of charge in period		
<i>UK corporation tax</i>		
Current tax on income for the period		
Tax on profit on ordinary activities		

#### *Factors affecting the tax charge for the period*

The current tax charge for the period is lower than (2005 lower than) the standard rate of corporation tax in the UK 30% (2005 30%) The differences are explained below

## Notes (continued)

	2006 £'000	2005 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	394	1,917
	<hr/>	<hr/>
Current tax at 30% (2005 30%)	118	575
Effects of Substantial shareholding relief Group Relief	(118)	(575)
	<hr/>	<hr/>
	<hr/>	<hr/>

The company's liability to corporation tax will be covered by group relief for which no payment will be made

7	Fixed Asset investments	Shares in group undertakings £000	Shares in joint venture undertakings £000	Loans to joint venture undertakings £000	Total  £000
	<i>Cost</i>				
	At beginning of year	28	1,007	5,961	6,996
	Additions	546	182	616	1,344
	Repayment			(787)	(787)
	Foreign Exchange Movement			(138)	(138)
		<hr/>	<hr/>	<hr/>	<hr/>
	At end of year	574	1,189	5,652	7,415
		<hr/>	<hr/>	<hr/>	<hr/>

The companies in which the company's interest at the year end is more than 20% are as follows

	Principal activity	Country of incorporation	Percentage of ordinary shares held
<i>Joint ventures are</i>			
Limadarque – Retail Park, SA	Property company	Portugal	50%
Project Sierra Portugal 1–Centro Commercial, SA	Property company	Portugal	50%
Centro Retail Park – Parques Comercial, SA	Property company	Portugal	50%
Mascot Imobiliar SRL	Property company	Romania	50%
<i>Subsidiary undertakings</i>			
Miller DK – Outlet Center Ringsted Aps	Property company	Denmark	100%
Miller Germany One GmbH	Property company	Germany	100%
Miller Germany Two GmbH	Property company	Germany	100%
Miller Germany Three GmbH	Property company	Germany	100%
Miller Germany Four GmbH	Property company	Germany	100%
Miller Germany Five GmbH	Property company	Germany	100%
Miller Germany Six GmbH	Property company	Germany	100%

**Notes (continued)**

		Principal activity	Country of incorporation	Percentage of ordinary shares held
	Miller Retail Centers Hungary Kft	Property company	Hungary	100%
	Miller Investiții SRL	Property company	Romania	50%
<b>8</b>	<b>Debtors</b>		<b>2006 £000</b>	<b>2005 £000</b>
	Amounts owed by fellow group companies		<b>10,348</b>	10,784
	Other debtors		<b>863</b>	198
			<b>11,211</b>	<b>10,982</b>
<b>9</b>	<b>Creditors amounts falling due within one year</b>		<b>2006 £000</b>	<b>2005 £000</b>
	Bank overdraft		<b>1,244</b>	343
	Amounts owed to fellow group companies		<b>10,303</b>	10,166
	Other creditors		<b>7</b>	23
			<b>11,554</b>	<b>10,532</b>
<b>10</b>	<b>Called up share capital</b>		<b>2006 £000</b>	<b>2005 £000</b>
	<i>Authorised, allotted, called up and fully paid</i> 1,000 ordinary shares of £1 each		<b>1</b>	1
<b>11</b>	<b>Profit and loss account</b>			<b>Profit and loss account £000</b>
	At the beginning of year			7,445
	Profit for the year			394
	<b>At end of year</b>			<b>7,839</b>

**Notes** *(continued)*

12	Reconciliation of movement in shareholders' funds	2006	2005
		£000	£000
	Profit for the year	394	1,917
		<hr/>	<hr/>
	Net addition to shareholders' funds	394	1,917
	Opening shareholders' funds	7,446	5,529
		<hr/>	<hr/>
	Closing shareholders' funds	7,840	7,446
		<hr/>	<hr/>

**13 Ultimate parent company**

The company's ultimate parent company is The Miller Group Limited, a company registered in Scotland. The financial statements of The Miller Group Limited can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.